

## Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 02293 101602Z

71

ACTION EB-11

INFO OCT-01 IO-14 AF-10 ARA-16 EA-11 EUR-25 NEA-10 RSC-01

ISO-00 AGR-20 CEA-02 CIAE-00 COME-00 DODE-00 FRB-02

H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-07 PA-04

AID-20 CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 USIA-15

PRS-01 SP-03 FEA-02 OMB-01 SWF-02 DRC-01 ( ISO ) W

----- 035747

R 101530Z APR 74

FM USMISSION GENEVA

TO SECSTATE WASHDC 5137

INFO USMISSION OECD PARIS

AMEMBASSY TOKYO

LIMITED OFFICIAL USE GENEVA 2293

PASS STR FOR FEKETEKUTY

E.O. 11652: N/A

TAGS: ETRD GATT

SUBJ: EXPORT RESTRICTIONS AND MTN: IDEAS OF JAPANESE MISSION

REF: GENEVA 2080

1. SEVERAL TIMES IN PAST FEW WEEKS WE HAVE DISCUSSED INFORMALLY WITH MIZOGUCHI OF JAPANESE GATT MISSION THE PROBLEM OF TRADE NEGOTIATIONS ON SUPPLY SIDE. IN VIEW OF STRONG GOJ INTEREST IN EXPORT RESTRICTIONS AND IN ACCESS TO SUPPLIES AND IN VIEW FACT THAT MIZOGUCHI ONE OF FEW PEOPLE IN GENEVA OUTSIDE OF GATT SECRETARIAT WHO THINKING SYSTEMATICALLY ABOUT RELATIONSHIP OF EXPORT RESTRICTION PROBLEM TO MTN, WE BELIEVE THAT HIS IDEAS, WHICH GIVEN US ON PERSONAL BASIS AND WHICH HE SAYS DO NOT RPT NOT NECESSARILY REFLECT TOKYO THINKING, MAY BE OF INTEREST.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 02293 101602Z

2. MIZOGUCHI SEES AT LEAST THREE TYPES OF EXPORT RESTRICTIONS: (1) "VOLUNTARY" EXPORT RESTRAINTS; (2) TECHNICAL EXPORT CONTROLS BY GOVERNMENTS OR BY TRADE ASSOCIATIONS TO MAINTAIN MINIMUM QUALITY STANDARDS, ETC.; AND (3) EXPORT RESTRICTIONS TO INSURE SUPPLIES TO CONSUMERS AND/OR TO HELP CONTROL DOMESTIC PRICES.

3. MIZOGUCHI FEELS THAT THE FIRST TWO SORTS OF EXPORT RESTRICTIONS ARE ALREADY WELL KNOWN AND ARE BEING CONSIDERED IN APPROPRIATE FORA. HE FEELS, HOWEVER, THAT PROBLEMS RAISED BY RESTRICTIONS OF THIRD TYPE ARE NOT RPT NOT PROPERLY COVERED BY EXISTING GATT PRACTICES AND THUS WOULD BE AN APPROPRIATE SUBJECT OF MTN NEGOTIATIONS.

4. MIZOGUCHI BELIEVES THAT INTERESTED PARTICIPANTS IN MTN SHOULD WORK OUT CODE OF GOOD BEHAVIOR TO GOVERN THIRD CATEGORY OF EXPORT RESTRICTIONS FOR PRIMARY RPT PRIMARY COMMODITIES. COUNTRIES COULD THEN ACCEDE TO CODE FOR ALL OF THEIR EXPORT TRADE -- THESE WOULD PROBABLY BE MOSTLY DEVELOPED COUNTRIES -- OR ONLY FOR SPECIFIED COMMODITIES -- THESE WOULD PROBABLY BE MOSTLY LDC'S. IN ANY CASE, HE DOES NOT EXPECT THAT MANY LDC'S WOULD BE WILLING TO UNDERTAKE COMMITMENTS IN FORESEEABLE FUTURE WHICH THEY BELIEVE WOULD LIMIT THEIR FREEDOM TO EXPLOIT THE "NEW ECONOMIC ORDER."

5. MIZOGUCHI THINKS THAT CODE ON EXPORT RESTRICTIONS WOULD PROBABLY BE BASED ON CONSULTATION BETWEEN PARTICIPATING EXPORTING COUNTRY WHICH FEARS THAT ITS EXPORTS OF ANY PRIMARY PRODUCT ARE SUCH AS TO CAUSE OR TO THREATEN SERIOUS INJURY TO ITS DOMESTIC ECONOMY, AND THOSE COUNTRIES WITH SUBSTANTIAL INTEREST IN IMPORTING THIS PRODUCT PARTICIPATING IN CODE. LIKEWISE PARTICIPATING EXPORTING COUNTRIES SHOULD REQUEST CONSULTATIONS WITH THOSE PARTICIPANTS TO CODE AND THOSE CONTRACTING PARTIES WITH SUBSTANTIAL IMPORT INTEREST BEFORE INVOKING GATT ARTICLE XI2(A), XI2(B) OR VARIOUS CLAUSES UNDER ARTICLE XX.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 02293 101602Z

6. SUCH CONSULTATIONS SHOULD AGREE ON LEVELS AND MODALITIES OF EXPORT RESTRICTIONS. IN ADDITION RESTRICTIONS SHOULD NOT RPT NOT LIMIT EXPORTS TO LESS THAN TRADITIONAL LEVELS, SHOULD BE LIMITED IN DURATION, SHOULD MINIMIZE DISTORTIONS TO NORMAL TRADE PATTERNS AND SHOULD BE PUBLIC.

7. IF AGREEMENT NOT RPT NOT REACHED, EXPORTERS WOULD BE FREE TO INSTITUTE EXPORT RESTRICTIONS UNILATERALLY AFTER REASONABLE PERIOD. OTHER COUNTRIES WOULD RETAIN RIGHTS UNDER GATT ARTICLE XXIII.

8. MIZOGUCHI ALSO FEELS THAT ANY SUCH CODE SHOULD INCLUDE CLAUSE TO PREVENT FRUSTRATION OF ITS PURPOSES THROUGH USE OF EXPORT TAXES OR CHARGES.

9. WE POINTED OUT TO MIZOGUCHI THAT PROBLEM OF EXPORT RESTRICTIONS NOT RPT NOT LIMITED TO PRIMARY PRODUCTS, AND THAT WILLINGNESS OF LDC'S TO JOIN CODE MIGHT BE INCREASED IF DEVELOPED COUNTRIES WILLING TO UNDERTAKE OBLIGATIONS ON EXPORTATION OF INDUSTRIAL PRODUCTS. MIZOGUCHI RESPONDED THAT MITI PRESENTLY DIVIDED ON QUESTION OF EXPORT CONTROLS FOR INDUSTRIAL PRODUCTS. HE SAID AGREEMENT ON SUCH CONTROLS WOULD BE VERY DIFFICULT QUESTION FOR JAPANESE.

10. COMMENT. WASHINGTON MAY WISH TO TAKE THESE IDEAS INTO ACCOUNT IN DEVELOPING USG POSITIONS FOR TNC WORKING GROUP 3(B) DISCUSSION OF QR'S -- INCLUDING EXPORT RESTRICTIONS -- CURRENTLY SCHEDULED FOR MAY 28 AS WELL AS FOR OTHER BILATERAL OR MULTILATERAL CONSIDERATION OF PROBLEM.

11. TO AVOID EMBARRASSMENT AND SUBSEQUENT DRYING UP OF SOURCE, WE URGE THAT THESE IDEAS NOT RPT NOT BE DISCUSSED WITH JAPANESE UNTIL AFTER MIZOGUCHI HAS CLEARED THEM WITH TOKYO BUT RATHER THAT ANY COMMENTS BE REFERRED THROUGH US TO HIM HERE AT GENEVA. MILLER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORT CONTROLS, TRADE AGREEMENTS, TARIFF NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 APR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974GENEVA02293  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740082-1014  
**From:** GENEVA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740453/aaaabvmy.tel  
**Line Count:** 146  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** GENEVA 2080  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 18 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <18 APR 2002 by boyleja>; APPROVED <06-Aug-2002 by MorefiRH>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXPORT RESTRICTIONS AND MTN: IDEAS OF JAPANESE MISSION  
**TAGS:** ETRD, US, GATT  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005